

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO.: 4184-01  
BILL NO.: HB 2004  
SUBJECT: Health Care; Insurance - Medical; Medicaid  
TYPE: Original  
DATE: May1, 2000

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.

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## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Social Services - Division of Medical Services (DMS)** assume the proposal would have no fiscal impact on their agency. DMS currently has a Health Insurance Premium Payment (HIPP) program. The HIPP program is a Medicaid program that pays for the cost of health insurance premiums, coinsurances and deductibles when it is cost effective to do so. "Cost effective" means that it costs less to buy health insurance to cover medical care than to pay for the same services with Medicaid funds. Medicaid will still pay for services covered under the Medicaid program that are not payable by the insurance plan.

The HIPP program (along with the Medicare Part B Premium buy-in program) is funded in House Bill 11, Section 11.440: "For the purpose of funding payments to third party insurers, employers or policy holders for health insurance."

**Department of Insurance** officials assume the proposed legislation would have no fiscal impact on their agency.

<b><u>FISCAL IMPACT - State Government</u></b>	<b>FY 2001</b> <b>(10 Mo.)</b>	<b>FY 2002</b>	<b>FY 2003</b>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<b>FISCAL IMPACT - Local Government</b>	<b><u>FY 2001</u></b> <b><u>(10 Mo.)</u></b>	<b><u>FY 2002</u></b>	<b><u>FY 2003</u></b>
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

### **FISCAL IMPACT - Small Business**

No direct fiscal impact to small businesses would be expected as a result of this proposal.

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#### DESCRIPTION

This proposal would require the Department of Social Services to issue vouchers to persons whose household income is equal to or less than 200% of the federal poverty level and who qualify for Medicaid and to issue vouchers to children who qualify for the MC+ Health Insurance Program. These vouchers would be issued to these individuals for the purchase of private health insurance if such coverage is less costly than the health insurance benefits provided by the state. The department would be authorized to promulgate rules to implement the provisions of this proposal.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

Department of Social Services  
Medical Services  
Department of Insurance



Jeanne Jarrett, CPA  
Director  
May 1, 2000